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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 24, 2016

CERTIFIED RETURN RECEIPT
7015 0640 0001 4528 8540

Eric York
Intrepid Potash – Moab LLC
P.O. Box 1208
Highway 279 Potash Rd.
Moab, Utah 84532

Subject: Evaluation of Reclamation Surety, Intrepid Potash – Moab LLC, Intrepid Cane Creek Mine, M/019/0005, Grand County, Utah

Dear Mr. York:

The last reclamation cost estimate for the Intrepid Cane Creek Mine was completed in 2011 and escalated to 2016, with a bond escalation date of February 15, 2016, so the reclamation surety amount is now due for review and adjustment. The Division of Oil, Gas and Mining may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

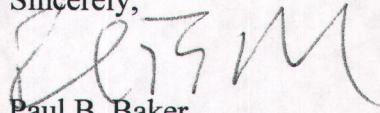
To properly calculate the reclamation cost estimate, the Notice of Intention to Commence Large Mining Operations (LMO) needs to be up to date to ensure it is adequate and reflects the current operating conditions. Any necessary changes should be addressed by submitting an amendment to the LMO using form MR-REV (LMO).

In addition the Division has developed worksheets to assist both the Division and mine operators to calculate the reclamation cost using standard unit costs. These are available on the Division's web site at http://linux3.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html. Please complete these forms and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. **Please submit the reclamation cost estimate as an amendment to the LMO by April 15, 2016.**

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Please contact Mike Bradley at 801-538-5332 for the LMO update, Wayne Western at 801-538-5263 for the bond update, or me at 801-538-5261 if you have any questions regarding this letter. In reply please refer to file number M/019/0005.

Sincerely,

A handwritten signature in black ink, appearing to read "PB Baker", written over the word "Sincerely,".

Paul B. Baker
Mining Program Manager

PBB: mbt: pb
cc: Jerry Mansfield, SITLA (jmansfield@utah.gov)
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